

EXHIBIT 1

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF VERMONT**

ALICE H. ALLEN, et al.,

Plaintiffs,

v.

**DAIRY FARMERS OF AMERICA, INC.,
DAIRY MARKETING SERVICES, LLC,
and DEAN FOODS COMPANY,**

Defendants.

Civil Action No. 5:09-CV-00230

Affidavit of Donald Risser

I, Donald Risser, hereby states as follows:

1. I have operated and been an owner of a dairy farm since 1972. My father owned and operated the dairy farm before that time. Beginning in 1972, my brother and I owned the farm. Currently, my brother and my son and I own and run the dairy farm, located in Bainbridge, Pennsylvania. Our family has had a dairy farm for more than four generations. Our farm is known as Meadow-Vista Dairy.

2. Despite the fact that I have seen many dairy farmers leave the business, since 1972, Meadow-Vista has increased its herd size from approximately 40 to approximately 750 cows. We have improved our farm, including building a new freestall barn, designed for sand bedding and installed with tunnel ventilation, purchasing ultrasound equipment to enhance reproductive performance and other efforts.

3. Meadow-Vista has been pooling all of its milk production under Federal Order 1 since 2000. Our milk is picked up every day using our cooperative's trucking operation.

4. I am currently a member of the Board of Directors of the Mt. Joy Farmer's Cooperative Association ("Mt. Joy") and I believe that Meadow-Vista and my family have benefited by our involvement with Mt. Joy and its relationships with other cooperatives. Mt. Joy has approximately 300 members. Generally, it has been my experience that dairy farmers are better able to survive and get a reasonable return on their investments when they work together than when the dairy processors drive prices down by dividing and conquering the farmers.

5. One of the benefits that we have gotten by being a coop member is that there is a guaranteed market for the milk we produce. This means that even when demand for milk is low at the processors, we are able to sell our milk. Without the coop, in periods of low demand the processors would be able to simply notify us that it does not want additional shipments and we would be cut-off.

6. Another benefit that the coop provides is that it gives the dairy farmer the chance to get a fair price for its milk. Dairy farmers individually are not able to negotiate effectively against the milk processors, which are larger now than they were even ten years ago. Most of the smaller dairy processors have closed or been acquired so that the dairy farmers are now forced to try to negotiate against larger and even national processors.

7. The balancing plants provided by the coops are also extremely important to Meadow-Vista. If demand is low for fluid milk and some of our dairy processors are unwilling to take as much milk, Mt. Joy will still continue to purchase our production and truck it to one of the coop-owned balancing plants instead of to the dairy processor. This is important

to a dairy farm because even when demand is low, the herd is producing milk and the dairy farm still has the expense of keeping the cows fed and cared for. Milk shipped to the balancing plants, under Federal Order 1, would be considered Class III or Class IV and would be used in the production of milk-based products, such as powdered milk, cheese, butter. Because the balancing plant milk is treated as Class III or Class IV milk, the price paid to the farmer is lower than that paid for Class I or Class II fluid milk sold to dairy processors. This reduced income is essential in times of low demand for fluid milk. We are not able to just stop the cows making their milk.

8. Another important service provided through our coop arrangement is transportation or trucking of the milk from Meadow-Vista to the dairy processors, or in times of low demand for fluid milk, to the coop-owned balancing plants. Use of the coop's transportation services means that we do not need to maintain our own milk transportation trucks which would be more costly and allows us to remain focused on milk production.

9. We also get our sampling and testing services through our coop relationships. Without the coop, the testing would be handled by the dairy processors and would leave the dairy farmer at the mercy of those processors. The testing service provides us with invaluable information regarding the quality and characteristics of our milk and ensures that we receive the quality premiums that we work hard to achieve or otherwise alert us to any issues that we would need to address related to the quality or characteristics of our milk.

10. Mt. Joy works with Dairy Marketing Services, which also has relationships with other cooperatives, like Land O'Lakes and DairyIdea. This collaboration among dairy farmers and among dairy farm cooperatives allows us to work together to negotiate

higher prices for our milk and to reduce our costs and to make us more efficient through the transportation, testing and other services the cooperatives provide.

11. I have looked at the Revised Consolidated Amended Class Action Complaint and Dean Food's proposed settlement agreement. Even though the documents predict that the average dairy farmer will receive approximately \$2,500 from the Dean Food's settlement, I believe that the harm caused by the settlement will be greater than the short-term \$2,500 gain.

12. I am most worried about the effect of Section 9.2 of the settlement. Based on my experience as a dairy farmer, I believe that Dean will use Section 9.2 to try to drive down the milk prices across the market, which will drive down the price paid for Meadow-Vista's raw milk so that we are getting paid less for our milk than we would if Dean is not allowed to use Section 9.2. Section 9.2 will hurt us financially. There is every reason to think that Dean will insist on paying prices lower than what it currently pays dairy farmers like me who market through Mt. Joy and DMS. Also, Dean will have to buy more milk from dairy farmers that do not market through milk through DMS/DFA at a price that Dean decides is the "competitive market price," which will allow Dean to drive down the prices in the market more broadly. In my experience Dean wants to lower the price that it pays for raw milk.

13. Also because Dean will have to buy more milk from dairy farmers that do not sell through DMS/DFA, the current and already difficult balance between supply and demand will be upset. If DMS is not able to find new customers to buy this additional milk or if Dean does not somehow increase its own sales volume, then more milk will end up in the balancing plant, which will mean that more DMS milk will end up selling as Class III and Class

1V milk at the lower Federal Order 1 price. There is a limited number of customers who buy Class 1 milk, so I think that if DMS loses 60 million pounds per month of raw milk sales to Dean, it is likely that more of the milk from the dairy farmers selling through DMS will end up in balancing plants and/or sold as non-Class 1 milk at the lower Federal Order 1 price. This means lower premiums for Meadow-Vista.

14. I am also concerned that my costs will go up because if we have to change where we ship our milk because Dean purchases milk from some place other than DMS, our transportation costs will likely increase and our margins will get even smaller. Generally, this change in the way the market works will weaken coops and put at risk the benefits that we get from those coops and that have helped dairy farms stay healthy. Assuming that Meadow-Vista receives a payment of \$2,500 as part of the Dean Foods settlement, if section 9.2 of the settlement results in the price for our milk being lowered by even \$.10 cwt, we will lose money as a result. Our farm produces approximately 1,650,000 pounds per month. It would take only one and one-half months for us to lose all of the \$2,500 we might get from the settlement.. Each month after, taking into account only a lower price of \$.10 cwt, we would lose \$1,650.00. Assuming, as is more likely, that Dean will drive prices down even lower, our losses will increase. Plus, if you include any increased costs or if some of raw milk shipments are shifted from Dean to the balancing plants because of section 9.2, our losses multiply. I simply do not see how the settlement would be beneficial to dairy farmers, especially dairy farmers who are coop members.

15. Dean pays a premium over the Federal Order 1 price for raw milk from DMS, in part, to defray some of the costs of the supply balancing function handled by the coops' balancing plants. If prices were to get too low and such that some of the coops could no longer

continue to operate their balancing plants, it could create enormous problems for dealing with the excess supply. Loss of some of the balancing plants could even result in the closure of some dairy farms.

16. Based on my experience as a dairy farmer, while some dairy farmer somewhere who does not market its raw milk through DMS, might think that Dean's settlement is helpful and while the proposed settlement might be helpful to Dean, it is hard to see how the settlement would be good for dairy farmers who are coop members or who market through DMS. I don't understand how anyone who claims to represent me could believe that this settlement is a good deal for Meadow-Vista. It has taken a great deal of work to establish a coop that provides the types of benefits that we get from Mt. Joy and DFA and it has taken a great deal of work to get to the point where we can get a reasonable contract with Dean. This settlement lets Dean force prices lower and will be used to lower the prices paid to dairy farmers and weaken the coops. This is bad for dairy farmers, especially those of us who market through DMS.

17. I declare under penalty of perjury, pursuant 28 U.S.C. § 1746, that the foregoing is true and correct.


